

BOARD OF ADMINISTRATION BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

MINUTES OF MEETING

October 21, 2008

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, October 21, 2008 at the Embassy Suites in San Luis Obispo, California.

The meeting was called to order at 8:31 a.m. and the roll was called. At that time the following members were present:

Kurato Shimada, Chair Terrence McGuire for John Chiang George Diehr Henry Jones Priya Mathur Tony Oliveira

Other Board members present:

Anne Sheehan Grant Boyken for Bill Lockyer Charles Valdes Marjorie Berte

The meeting was then recessed so that the Investment Policy Subcommittee could reconvene.

The BPAC meeting was called back to order at 9:20 a.m. At that time the following Committee Members had arrived:

Rob Feckner, Vice Chair Louis F. Moret David Gilb

AGENDA ITEM 3 – PROCEDURES FOR BOARD'S AWARD OF CALPERS CONTRACTS

Kim Malm, Chief, Operations Support Services Division, presented the Procedures for Board's Award of CalPERS Contracts.

AGENDA ITEM 4 – OVERVIEW OF DIVERSITY PROGRAM

Gloria Moore-Andrews, Deputy Executive Officer, provided an overview and status of the Diversity Program. The topic was added to the January Board Offsite agenda.

AGENDA ITEM 5 – 2008 MEMBER SATISFACTION SURVEY RESULTS

Darryl Watson, Chief, Member Services Division, presented the positive results of the 2008 Member Satisfaction Survey. Pat Macht, Assistant Executive Officer, informed the committee of the general survey scheduled for next year.

AGENDA ITEM 6 - IMPACT OF RECENT INVESTMENT MARKET DOWNTURN ON EMPLOYER RATES

Ron Seeling, Chief Actuary, explained how stock market volatility could influence future Employer rates. Ms. Macht explained efforts by her office to keep members, employers and other parties informed on this topic.

AGENDA ITEM 7 – CHIEF ACTUARY REPORT

Ron Seeling, introduced Alan Milligan, Managing Actuary, who presented an update on the issue of Financial Economics and the American Academy of Actuaries meeting of October 7th.

AGENDA ITEM 8 – ASSISTANT EXECUTIVE OFFICER REPORT

Kathie Vaughn presented the Assistant Executive Officer's Matrix.

AGENDA ITEM 9 – DRAFT AGENDA FOR NOVEMBER 17, 2008 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

The Committee accepted the draft agenda.

AGENDA ITEM 10 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for November 17, 2008, in Sacramento, California.

KENNETH W. MARZION Interim Chief Executive Officer